

NATIONAL INSTITUTES OF HEALTH

JUSTIFICATION

Management Fund

General Statement

The NIH Management Fund (MF) was established on June 29, 1957, by Public Law 85-67. The MF was created to finance a variety of centralized research support services and administrative activities that are required for the efficient and effective operation of all NIH programs and facilities. The NIH appropriations and other government agencies pay the expenses for these activities. The services provided by the MF include a research hospital and outpatient clinic, receipt, review and referral of research and training grant applications, collaborative computer science research, police, fire, security and general administrative support services. In addition, NIH will fund the cost of the NIH Transition Center necessitated by the results of A-76 studies. Also funding for Extramural Activities Support Services (EASS) will be moved to the Management Fund from the individual Institutes and Centers. The Transition Center is a key component of the NIH strategy for retraining, reorienting and redeploying employees whose jobs have been impacted or lost as a result of either competitive sourcing (A-76) decisions or administrative management function consolidations. Employees deemed eligible for Transition Center services will receive help in areas ranging from resume writing to career counseling to a host of other services. The proposed increase in Management Fund costs specifically associated with extramural support staff functions is a direct result of the establishment of a new EASS "most efficient organization" or MEO, which we will fund in our Management Fund. In FY 2004, estimated costs of the transition center is approximately \$36 million, and \$36 million is also included in the FY 2005 request. The EASS is estimated at \$40 million in FY 2004, and approximately \$42 million in FY 2005. Since these costs are already included in the various Institute and Center budgets, this amount does not represent a net increase in NIH spending. Instead, the initial funding source is shifting from the Institutes and Centers to the Management Fund, which then will allocate these costs back to the Institutes and Centers. Funds credited to the NIH Management Fund shall remain available for one fiscal year after the fiscal year in which they are deposited.